

DECLARATION OF HEIDI SKATRUD

Qualifications & Background

1. I am an adult who is over the age of 18 and have a sound mind. I have personal knowledge of the statements contained herein. I hold a Bachelor of Business Administration, Human Resources and Marketing from the University of Wisconsin School of Business, and a Master of Science, Industrial Relations Research Institute, from the University of Wisconsin.
2. I was an employee of Runzheimer International (“Runzheimer”) from 1993-2018. As Senior Vice President of Product Management & Operations from 2015-2018, I oversaw the process and managed the team responsible for the annual study referenced in Paragraph 3 below. Since 2018, I have been employed as Senior Vice President at an affiliate of Runzheimer.
3. Since 1980, Runzheimer has provided the data and analysis to the Internal Revenue Service (“IRS”) that the agency uses to issue the “standard mileage rate”. Indeed, Runzheimer is the independent contractor that conducts the annual study for the IRS noted in the IRS annual Standard Mileage Rates notice. *See IRS Notice 2018-03*. While the details of Runzheimer’s annual study produced to the IRS are confidential, the information provided herein is available to the public.
4. The standard mileage rate is an annualized weighted national average rate, calculated based on various costs of operating an automobile. *IRS Notice 2018-03*.
5. The IRS standard mileage rate is the “optional” rate taxpayers may “use in computing the deductible costs of operating an automobile for business”. *IRS Notice 2018-03*. In other words, the IRS standard mileage rate is a safe harbor for tax accounting purposes and is not designed to represent specific driver mileage costs.

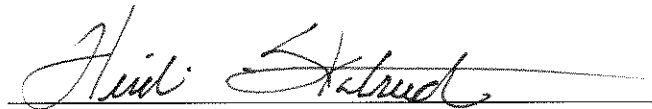
The IRS Standard Mileage Rate

1. General. The IRS standard mileage rate is (i) a national annualized weighted average, (ii) based on data from the previous year.
2. Vehicle Type. The IRS standard mileage rate reflects costs associated with a combination of new vehicle categories, weighted based on number of vehicle registrations in the prior year. Vehicle categories have included: Subcompact, Compact, Intermediate, Luxury, Minivan, Sport Utility (small), Sport Utility (large), Pickup Truck.
3. Depreciation. Depreciation represents a vehicle’s average annual decrease in value from the time it was new until the end of its useful life. The IRS classifies vehicles as having a 5-year useful life for depreciation purposes in IRS Publication 946.
4. Fuel Cost. The IRS standard mileage rate reflects national fuel price averages from the previous calendar year. It does not reflect geographically sensitive or current year and/or month fuel prices.
5. Insurance. The IRS standard mileage rate reflects national insurance rate averages from the previous year. It does not reflect geographic variances.

6. Registration and License Fees. The IRS standard mileage rate reflects national registration and license fee averages. It does not reflect geographic variances in these costs.
7. Maintenance and Tires. The IRS standard mileage rate accounts for maintenance and tire costs based on the prior year's vehicles.

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated this 18th day of June 2019.

A handwritten signature in cursive script, reading "Heidi Skelton", is written over a horizontal line.